



Memo

Date: May 14, 2019
To: Councilmember Lisa Herbold, Chair
Councilmember Kshama Sawant
Councilmember Mike O'Brien
Councilmember Abel Pacheco
From: Bobby Lee, Acting Director, Office of Economic Development
Subject: Response to City Council Confirmation Questions

Future of OED

1. What are your major goals for OED over the next several years?

Seattle as a whole enjoys the attributes necessary to thrive in a global economy, one that rewards cities possessing a high quality of life, distinctive competitive advantages, an authentic urban environment, open communities, and a culture that promotes innovation and entrepreneurship. As of 2018 there were 656,710 jobs in the City of Seattle. In the last five years, Seattle added 91,153 jobs. The city's Gross Regional Product is \$113 billion, compared to the Seattle-Tacoma-Bellevue MSA's \$375.3 billion and Washington's \$531.1 billion.¹ The Seattle-Tacoma-Bellevue GDP rose 33.3% from 2012-2017. Washington's GDP rose 31.8% in the same period.²

But the question remains: Can Seattle position its strong economic growth to provide quality employment opportunities for Seattle residents across all geographic and diverse communities? To do so requires the city to embrace its trade, technology, innovation and talent assets in a way that benefits all Seattleites. Achieving this will require both the place-based approaches needed to bring activity into underserved neighborhoods and the business- and people-focused approaches needed to help Seattle and all its residents thrive in an innovation and knowledge-based economy.

Disparities in wealth represent a primary obstacle to promoting lasting prosperity within historically disadvantaged populations. In the Seattle metro area, the median white household holds nearly twenty times as much net wealth as the median black household and five times as much wealth as the median Latino household. Property and business ownership drive much of the disparity in multigenerational wealth and gains in employment and income show little progress in erasing these differences.

¹ (Source: Emsi) (These are 2018 numbers)

² (Source: Federal Reserve Bank of St. Louis Economic Research Division.)

Addressing the growing inequity should be the focus for OED. Our goal is to build an inclusive economy by focusing on communities who have been left behind by Seattle's otherwise rapidly expanding economy. We need to address the income disparity for people of color, low income residents, and underserved neighborhoods by delivering programs in these four areas:

- Workforce training to connect underrepresented young people and adults to higher paying jobs.
- Small business technical assistance and early startup support for businesses owned by women, people of color and underserved populations.
- Promote neighborhood commercial corridors in underserved neighborhoods while incentivizing other business districts to apply an equity lens to their work.
- Encourage key industries to invest in underrepresented populations for the local workforce and small businesses.

2. What do you see as the primary challenges facing OED in the next several years?

OED's primary long-term challenges are developing solutions and capacity to address:

- **Income inequality.** While Seattle's post-recession growth has been historic in scale, it has also increased disparity in our community, particularly by exacerbating existing wealth and income gaps between white residents and communities of color. Many predict that the disparity will only grow as the economy continues to evolve in the future. Traded sectors, health and construction industries are the economic engines that should help address the increasing inequality by encouraging investment in hiring local underrepresented students, purchasing from local small businesses, and creating a diverse and inclusive workforce and company culture.
- **Support for Women and Minority-owned Businesses.** Small businesses historically have been the engines of Seattle's economy and job growth. While they face a variety of challenges, entrepreneurs of color and women-owned businesses are not growing at their full potential, leaving untapped potential for innovation, economic growth, and wealth creation.
- **Youth Employment.** If we provide local, diverse youth with the right career opportunities, Seattle can become a more competitive, equitable city. With record low local unemployment, finding workers with appropriate work experience is a major reason for employers' difficulty in filling open positions. If most young people looking for work lack experience, it could drive up the average time it takes these workers to find a good job match. Efforts to break what appears to be a vicious cycle for young workers could have a beneficial impact on labor market outcomes and lifetime earnings. Seattle youth need opportunities to gain initial on-the-job experience and be successful in the workplace so they can illustrate those essential skills later to prospective employers.

3. Are there emerging economic development trends or activities that you think the City should pursue? How will you, as Director, ensure that OED stays up to date on innovative economic development practices and maintains a forward-looking work program?

Seattle's globally competitive traded sector target clusters—Life Sciences and Global Health, Green Business and Clean Technology, Information Technology, Media, & E-Commerce, and Manufacturing & Maritime—propel greater Seattle's economy while providing significant employment opportunities. Two local-facing industries, Construction and Healthcare, play similarly significant roles in the local economy and offer opportunities for career pathways and quality employment. But there is another layer of economy that is emerging – the knowledge economy.

As the economy continues to evolve at a rapid speed, the knowledge economy will soon enter into what some have named the “network economy.” Many predict that the introduction of 5G technology will serve as the backbone for Smart City infrastructure, driving new services and industries and revolutionizing not only Seattle but the entire country. Twenty years ago, no one would have predicted that cell phones would have such a profound impact. This technology may again become a major disruptive opportunity changing the way we connect and power our community. And some also predict that this development will only exacerbate income disparity and social inequity.

As 5G technology takes hold and Smart City infrastructure, including autonomous vehicle and green city clusters, continues to develop, OED's role is to encourage these industries to help address the growing inequity by investing in underserved neighborhoods, hiring locally from diverse communities, providing career exploration opportunities for youth, and investing in local small businesses. OED should help shape public policy and community benefit programs so that all Seattleites benefit from the emerging economy.

I will ensure OED stays at the forefront of innovation by testing and cataloguing best practices that advance our inclusive economic development goals. OED is promoting an innovation and learning agenda for our regional workforce system to test promising practices. If these practices are successful in addressing barriers to self-sufficiency that, they can be replicated at scale.

4. What are your views on expanding foreign direct investment in Seattle's economy? Are there specific opportunities or strategies you think the City should pursue in order to encourage more non-U.S. entities to open Seattle offices and/or invest in local firms or projects?

Seattle is one of the most inventive and influential economies in the world. Our skilled labor force is unmatched. From aerospace and shipping to software development and groundbreaking research, Seattle's pioneering spirit sets our city apart. The growth fueled by the companies we have here and those that are coming makes this an exciting place to be. As such, Seattle has a unique opportunity to enhance its ability to attract foreign direct

investment (FDI) to help fuel our most competitive industries. Increasing FDI is a valuable economic development tool that can increase capacity in local industry, deepen supply chains and export markets, and assist in the diversification of a robust and sustainable regional economy. Specifically, an FDI program is important to promote middle wage jobs. Companies from other countries tend to provide higher wage jobs and expose local workers to the global economy. My focus will be to recruit foreign companies that have a propensity to hire Seattle's local workforce from our diverse communities. Furthermore, I will encourage FDI companies, through public benefit agreements, to purchase from minority owned local small businesses whenever possible.

5. Are there any shortcomings in the City's current economic development strategy that you believe should be addressed?

Seattle's early-stage companies contribute disproportionately to net job creation and small business ownership—a common path to increasing family wealth. But at OED there is limited capacity for small business technical assistance to link inclusive entrepreneurship programs and small business development programs.

While I am determined to demonstrate the clear return on investment of our theory of change, OED currently has limited tools and capacity to support communities of color who have been left behind by Seattle's rapidly expanding economy. Over time, we need to scale our small business development programs to meet the needs of the communities.

Another area that I would like to focus on is a recession plan. Many agree that recession will come, yet many cities are ill prepared. The experience of past recessions demonstrates that underserved communities are affected more deeply. Such a plan should be focused on, but not limited to, investing in early start-ups for underserved populations, access to capital and dislocated workers training.

Going forward, I would also like to see OED work more closely with established companies to connect them with Seattle's small businesses. In Portland, we did this through Mercatus <https://mercatuspdx.com/>, a program we built to elevate the unique and universal narratives of entrepreneurs of color in Portland and connect the city and region with local talents, businesses, services and products that come from diverse entrepreneurs. We did this so we could build wealth in communities of color who would then in turn hire locally and reinvest in local small businesses when they scaled.

6. What are your views on OED use of *Opportunity Zones*? How, if at all, can OED use *Opportunity Zones* to a. support locally owned businesses at risk of being priced out by our growing market, and b. to recruit and keep businesses owned by people of color, immigrants and refugees in place?

In short, the question in my mind is: Can we use the federal Opportunity Zone program to address affordability in Seattle? Opportunity Zones have the potential to bring new capital into underinvested areas but lack requirements for direct oversight. OED is working closely with the Mayor's Office and Greater Seattle Partners to promote projects in Opportunity Zones

while also supporting community partners to be active in design review processes and matchmaking between local businesses and investors. I will ensure OED continues to explore ways to incentivize the development of affordable ground-floor commercial space using available HUD 108 loans and CDBG funds in exchange for lower tenant improvement costs for local businesses. OED can identify priority projects in Opportunity Zones that will create much needed commercial services and provide space for local businesses to remain in the neighborhood. I believe it is vital we do this through an equity lens and use this program to build a more inclusive economy.

7. Oregon and British Columbia have used tax incentives to recruit the film industry to their regions. Is this a strategy Seattle should adopt? What should be the role of the Office of Film and Music regarding economic development and do you believe this function should be located within OED? How will OED, under your leadership, build upon existing collaborative efforts to further advance Seattle's music and film industries?

I am familiar with the film program, having overseen a similar program at City of Portland. Currently, City of Seattle, and within OED, the Office of Film + Music (OFM) supports Washington's existing film tax incentive program and works with the program manager of Washington Filmworks (WF) in lobbying and awareness efforts to increase and extend the program so it can continue to attract film production to the region and help grow the local film industry.

While Washington is currently one of 32 states that have a film tax incentive program, its comparatively small annual fund cap of \$3.5 million is not able to attract the large feature or episodic film productions that BC (unlimited fund) or Oregon (\$14 million fund) can. To address this disparity, and as part of the Washington Film Leadership Council, OFM has helped WF develop its Local Lens production incentive, the nation's first all-local film tax incentive program, which directly and exclusively offers funding assistance to film productions made locally, by local crew and talent.

That said, a greater tax incentive would help us recruit more film work in Seattle. However, I believe we should tie it to our inclusive economy agenda by using a community benefits agreement. If a production wants to take advantage of tax incentives, they should be required to hire local businesses owned by women and people of color for things like catering, carpentry, and more. I see film and music, and more broadly the creative economy as a whole, as part of the economic engine that fuels Seattle. They are sectors that deserve the attention of the Office of Economic Development. Like film, Seattle's music industry is not only vital to our culture but brings millions of outside dollars into Seattle. We should focus our attention specifically on underrepresented communities to ensure they can create their art in Seattle, while still affording to live here.

Another point that is worth mentioning is that the film industry is evolving, and some predict that, in the future, the bulk of the production work will be delivered by through CGI visual effects technology. For example, Hive-FX, a start-up Portland visual effects company, was

responsible for CGI effects for the TV show *Grimm*. The company doubled its workforce from 12 to 35 to support the show. Many believe it is inevitable that software related technology will replace much of the production work, and the industry will depend more on high tech creative workers. This means the film industry could become part of the software cluster strategy for OED.

At Mayor Durkan's request, over the next several months, OED will partner with OFM and ARTS to undertake facilitated conversations with local film leadership, industry, crew and stakeholders about ways the City of Seattle can best support the film industry in the short and long term, including consideration of local incentive programs. Currently Seattle, through OFM, provides film incentives to film productions with a one-stop-shop for filming coordination on any public City property, staffed coordination with regional partners, and a low-cost (\$25/day) Master Film Permit.

Race and Social Justice

8. How will you address racial and social inequities as part of the City's Race and Social Justice Initiative as the OED Director?

Race and Social Justice principles will serve as the central core economic development strategy for OED under my leadership. My intention is to more aggressively focus on equity, seeking ways to ensure that OED programming and policies are implemented to benefit underserved Seattle residents. We will do this by centering race in our decision-making processes, so that programs we implement account for the barriers people of color and other underserved populations face.

Another example of centering Race and Social Justice principles is ensuring our workforce development investments connect historically disadvantaged communities to higher paying jobs while fulfilling the pipeline needs of industry leaders. In addition, OED's Small Business Development Team will more aggressively and holistically provide direct technical assistance to small businesses owned by underserved populations.

Additionally, OED will continue the use of the Racial Equity Toolkit when developing new or reviewing existing programs, practices, and policies. I will inspire the OED team to achieve and exceed our WMBE goals in our purchasing and require that our outreach be targeted to ensure engagement of WMBEs. Lastly, by fostering and maintaining a cohesive and diverse team, well-trained in race and social justice issues, we will be well positioned to successfully continue addressing racial and social inequity in everything we do.

9. As Seattle grows, how will you direct the work of OED so that economic prosperity reaches all in our community, especially residents who are often left behind? Specifically, in light of gentrification and many people of color moving out, how can we ensure businesses owned by people of color, immigrant and refugees are supported by our City?

Under my leadership, the goal of our office is to create a more inclusive economy by prioritizing the communities who have historically been left behind. Data shows that these communities are made up primarily of people of color. As gentrification continues to challenge our city's values system, it is crucial that we focus our resources on those who need the help most. By doing so, we will ensure that people of color and underserved populations are part of the new economy. OED's staff and programs are in large part targeted to engage and reach out to small businesses, often affected by gentrification. Staff pay special attention to businesses located in neighborhoods experiencing this shift and work to support them in identifying resources that will help them to maintain their business, and hopefully, grow and compete more successfully.

There are several key initiatives I would like OED to support:

- Expansion of affordable commercial space programs in key geographic areas where gentrification is occurring
- Targeted workforce development programs for those key geographic areas
- Small business technical assistance for businesses owned by people of color

10. How can OED assist the City to be supportive of Age Friendly initiatives to help us create a city that is built for all ages and abilities?

Under my leadership, OED will support Age Friendly initiatives, especially when unemployment is at historic low, and employers across all sectors are in need of ready-to-work workers. Currently OED supports Age Friendly initiatives across all age groups through the Workforce Development Team's Career Pathways, Youth Employment and Tech Hire Initiatives. But as the Baby Boomer generation retires (approximately 550,000 adults over 55 live in Seattle), we should look to scale targeted programs promoting community service and work-based training for seniors who are from low-income, underserved populations. Intergenerational mentorship can be a powerful tool to help support underserved youth for career development.

11. Portland has a kitchen incubator program called Micro Mercantes that promotes food service business for immigrants and people of color and circulate neighborhood dollars, and organizations like the Rainier Beach Food Innovation District are developing a similar model. What does an economic empowerment strategy look like for people systemically left out of the small business and start-up market to help promote ownership, create local career pathways, and build wealth?

During my term as the Director of Economic Development at the City of Portland (the agency is called Prosper Portland), I oversaw program investments of over \$3.2 million and ongoing technical assistance for the Portland Mercado Commissary Kitchen program in partnership

with Hacienda CDC. As the owner of the land, we leased out the 7,000 square foot space for \$1 a year, housing 19 Latino-owned small businesses. This was one of our anti-gentrification and wealth creation strategies for Portland's underserved Latino community. The program won much community recognition as a proven model.

Under my leadership, I hope to institute similar programs here in Seattle, targeting immigrant and underserved populations in low income neighborhoods that are vulnerable to gentrification. Such an incubator would support food-based entrepreneurs by providing access to affordable space and commercial kitchens, marketing, technical assistance, access to capital and navigation to new markets.

To help promote business ownership and wealth creation, OED currently has an Individual Development Account (IDA) program whereby funding is used to match small businesses' savings. As well, OED has an ongoing relationship with Ventures, a nonprofit organization that provides access to business training, capital, coaching and hands-on learning opportunities for entrepreneurs with limited resources and unlimited potential. Through these and other programmatic strategies, OED should scale economic empowerment strategies that will build an inclusive economy.

12. What workforce strategies would you like to put into place for immigrants and refugees with diverse education levels – ranging from those adult basic education to PhD holders – and backgrounds to be integrated into the economy?

Immigrant and refugee residents are often overlooked but are a significant force in many local economies. American Community Survey 2014 statistics report that there are over 113,000 foreign-born Seattle residents, 43% of whom have a college or graduate degree. Despite this high degree of college attainment, median income for foreign-born residents is only \$31,580. My goal is to ensure that Seattle's immigrant and refugee residents are connected to equitable career pathways across the spectrum of skill and education levels. Consequently, workforce strategies should be appropriately adapted to address the continuum of need for immigrant and refugees with varying backgrounds and education levels.

- For those immigrant and refugee populations who hold less than a high school degree and are English language learners, we need to build more community-based on-ramps to living wage careers. OED should further scale strategies to provide targeted funding for underserved English Language Learner immigrant populations.
- We need to further expand workforce transition services. Currently unemployed or underemployed immigrant and refugee degree holders can receive support for reconnecting to their professions from the Puget Sound Welcome Back Center. For those requiring additional training or re-certification, our partnership with the Seattle Colleges can enable more immigrant and refugee residents to connect to college programs that are adapted for the working adult. But overall, funding is not sufficient to serve a critical mass of the population.

- One of the best ways to support immigrants and refugees is to provide early startup seed funds. We know that immigrants and refugees have high rates of entrepreneurship. Portland's Inclusive Startup fund and programs like Mercatus are examples of initiatives I have led and which I hope to help duplicate in Seattle.
- Immigrant and refugee youth, in particular, require a window into our economy so that they can begin to imagine and shape a future career in Seattle. Currently, through OED's partnership with the Refugee Women's Alliance (ReWA), the Vietnamese Friendship Association, the Multi-Cultural Community Center and the Seattle World School, we are connecting immigrant and refugee youth with career-focused activities and experiences. We need to scale these programs and support our service providers through sustained investments and technical assistance.

13. What strategies will you use to ensure that OED listens to and responds to residents, businesses, and organizations with an interest in the agency's activities? How will you reach out to constituencies that are not usually represented in your agency's discussions?

The mission of economic development is broad. So, it is important that we have a multifaceted communications and on-the-ground engagement strategies to ensure diverse stakeholders are part of the conversation. I will build more capacity on media and online platforms including social media channels for real-time updates on OED's programs and events.

But Twitter should never replace face-to-face engagement – especially with our diverse population. For the small business owners who are food prepping early in the morning, cooking all day, and then resting only briefly at night, we cannot expect them to have time to reach out to us. We need to go to them.

During my first week at OED, I participated in three-day walking tours of several communities to engage directly with small businesses and neighborhood leaders in the Capitol Hill, Chinatown-International District, Pioneer Square, South Park, SoDo & Georgetown, Downtown Seattle, Ballard, Waterfront and Fremont neighborhoods. I plan to walk all the neighborhood business districts in Seattle by this summer. Under my leadership OED will serve as an on-the-ground partner at the neighborhood level.

I will be in regular contact with OED's partners like various geographic and ethnic chambers, business districts, and diverse business leaders, who I see as vital partners in our mission to create wealth in communities of color. During my first week, I have already met with leadership from Tabor 100, several Business Improvement Area organizations, Chinese and Cambodian business associations and the Greater Seattle Business Association. I plan to continue my outreach to other stakeholders as I continue to transition in my role.

14. The City has long supported workforce development programs that provide training and other assistance to underserved populations. Examples include, but are not limited to, the Seattle Jobs Initiative, Career Bridge, and the Seattle Youth Employment Program. Under your leadership, how will OED continue to help Seattle residents overcome barriers to employment to achieve their educational and career goals?

OED will continue to have a core focus on helping Seattle residents overcome barriers to employment and to prepare underrepresented youth for our global economy. My goal is to ensure that there is a robust and skilled pipeline of local talent that is needed in our economy while addressing the disparities in employment and wages experienced by our communities of color. Key strategies that will enable us to reach this goal include:

- Investment in program opportunities and partnerships to increase the number of youths who participate in a meaningful career-connected learning experiences that provide career exposure and preparation for the global economy, particularly in sectors where Seattle holds a competitive advantage, including technology and maritime.
- Develop and support training, career navigation and wrap-around services for individuals who are experiencing barriers to employment, in partnership with the Seattle Jobs Initiative, the Workforce Investment Board of Seattle/King County and other community-based partners.
- Partnerships with employers to collaborate and participate in the training and recruitment of entry workers, along with the upskilling and career advancement of incumbent workers.
- Investment in new training strategies and support to serve low-income adults through our collaboration with the Seattle College District. With our low unemployment rate, many individuals are working but require additional skills and certifications to advance in their careers. Our partnership with the Seattle College District is enabling the creation of more worker-friendly programs that are offered at non-traditional times (evenings, weekends) and in alternative formats (on-line, hybrid) to enable more students to manage school and work.

15. A Seattle City Auditor report published on December 13, 2017, highlighted police staffing, and cost recovery issues related to special events. What would be your approach to addressing the recommendations in the report regarding the administrative functions of the Special Events Office? Do you believe that OED should continue to house the Special Events Office? Please explain why or why not.

The questions raised by the Seattle City Auditor are important ones for the City to consider. The Special Events Office's oversight of the Special Events Committee, and coordination and issuance of over 500 Special Event Permits per year, is a critical leadership function for the safe and successful operation of major public events in Seattle. I agree with the City Auditor's 2017 recommendation that Special Events Office administrative functions (staffing and tools) be increased to best support this high level of service and regulation.

OED is currently partnering with ARTS and OFM at the direction of Mayor Durkan, and in response to SLI 38-3-A-2-2019, to facilitate the Special Events Assessment and Planning Project, an engagement and research initiative involving peer City research, community and commercial event organizers, and City, County, and State agency stakeholders. This project will result in proposals to the Budget and Mayor's Offices for adjustments and improvements to SEO and departmental staffing and process to support this function.

The Auditor's interest in moving towards a full cost recovery model is different from the approach taken to date whereby the City offsets a portion of the overall cost to conduct special events. Given the nature of many events and the contribution they make to Seattle's culture and identity, many have maintained the position that there is public benefit in many of these events. Additionally, Special Events are an economic engine that brings new dollars to the City through spending at bars, restaurants, hotels and more. That said, there is opportunity for refinement of our permitting fees to better align them with real costs but ensure fees do not discourage communities from planning events.

- 16. The Legacy Business Program is being designed in collaboration with OED to provide tools to support long-standing, culturally relevant small businesses that contribute to the economic vitality of their communities and provide a bridge to our city's rich history and culture. In addition to developing tools to help legacy businesses, it is a priority to a. develop criteria and a process for nomination and designation of eligible businesses for the Legacy Business Program, b. to engage neighborhood business districts in that effort, with c. the goal of designating 7 legacy businesses (one in each Council District) in 2019. Will you commit to this goal, as identified by OED in the 2018 budget deliberations? What will your approach be, if confirmed, to finalizing nomination and designation criteria? How would you ensure that an equity lens is present in that process and the outcome? What other strategies (i.e. developing partnerships with community development organizations and lending institutions, targeted technical assistance, other financial or land use incentives, etc.), do you believe OED should initiate or further develop to support the preservation of legacy businesses?**

During my work in Portland, we had a program to support long term property owners. The program was designed to support legacy businesses that contribute to the uniqueness of the neighborhoods in key areas of the city. Legacy businesses are the bedrock of our communities, providing authentic experiences that draw visitors and talent to the city. I will support OED's work in this endeavor. For the next steps, we need to resolve the following three areas:

- **Nomination and Designation.** Our approach to the nomination and designation process is to work closely with OED partners like neighborhood business support organizations. If agreeable to the organizations, we should consider their nominations the first step. The final selection could be determined by a third party, such as the Mayor's Small Business Advisory Council (SBAC) or City Council members.

- **Technical Assistance Benefits.** As we develop the Legacy Business Program (as identified in the Design and Implementation report of 2018), one important part is the development of Technical Assistance Support tools which will be available to all seven districts in 2019. These include Commercial Lease and Succession Planning toolkits and infographics, combined with one-on-one outreach.
- **Marketing and Promotion.** The “marketing and promotion” portion of the Legacy Business Program should focus on rolling out the program to the public with the intent to highlight 1-3 businesses in the first year. Subsequent years will recognize representative businesses from all seven council districts.

OED is currently completing a Racial Equity Toolkit (RET) on the program and will communicate to our business support organization partners that equity is a priority in the selection process. All printed materials should be available in translation (Spanish, Vietnamese and Simplified Chinese) and culturally competent outreach staff will deliver one-on-one consulting services.

Financial incentives for individual businesses are restricted due to the Washington State constitution prohibition on the “gifting of public funds” to private enterprise, as detailed in the original Legacy Business Program Report of September 2017. However, this should not prevent OED from exploring other ways to provide supportive services. I have asked the Seattle City Attorney’s office to provide guidance on this matter. I will follow up with options in the near future.

17. A healthy economy is a balanced, and diversified economy that benefits individuals across all income levels in Seattle. How will you work to create balance in the growth of Seattle's strategic industry sectors: manufacturing, maritime, life science/global health, information technology/startups, green business/technology, film/music/nightlife, and the restaurant/hospitality sectors?

I am committed to supporting a vibrant, balanced, and diversified economy that benefits individuals across all income levels in Seattle. Growth of Seattle's strategic industry sectors is critical to the future of the city's economy. That's why OED must continue to work closely with leaders from key industry sectors to sustain a balanced and diverse economic base. I will focus strategically on the development and implementation of strategies and action plans to promote growth in our key industry sectors with an emphasis on supporting underrepresented communities through training and employment opportunities, as well as support and technical assistance to those small businesses within these sectors seeking to get a foothold.

For instance, in the technology sector, Seattle was recognized as a TechHire community as part of a national jobs initiative. This program for underemployed adults convenes employers, educators and workforce partners to provide accelerated training, internship and employment opportunities in the technology sector. Seattle's commitment has an explicit focus on historically underrepresented communities: women and people of color.

18. How will OED approach customer service under your leadership? What improvements do you hope to achieve in the future in the area of customer service? What measurable goals for customer service will you use?

Quality customer service is vital in improving trust between citizens and their government. This will be a priority under my leadership. I believe putting customers at the core of OED's work is what will make the agency relevant and successful.

There are several ways that OED should improve customer service. First, is to understand what the customers want and use key indicators to track their experience over time. For example, from customer satisfaction rate, speed of first response, time to resolution to follow-up, it is important that the agency ask questions that fulfill the end goal.

Second, we should identify survey tools that are easy to use and that customers can easily access. From Survey Monkey, GetFeedback to Qualaroo, there are many online platforms that we can use for online feedback. The key is to use a platform with appropriate questions that the customers will actually complete.

As an example, some of the focus areas can be our contracting and payment process for our contractors. (The City is currently undertaking an effort to streamline its granting processes across city departments. This technology investment promises to deliver better customer service as departments better align their granting processes and award procedures.) Another focus should be how our small business outreach team is engaged to solve problems in key commercial corridors. To also ensure that contracted service providers are providing quality services, we can also use the platform to gather periodic feedback from users of the programs that OED funds.

As well, under my leadership I will push staff to engage the community to provide their input into the delivery of our services as well as the feedback on the services received. This partnership and feedback loop will support enhanced customer service. Continuing this work as a mainstay of our core business provides daily opportunity for enhanced customer service as we help the public navigate the steps to setting up and running their businesses.

Unfortunately, for the last couple of years, OED has been without the benefit of a Customer Relationship Management (CRM) system. For this reason, tracking the outcomes of measurable goals has been more difficult and less consistent across the office. I understand that an off-the-shelf CRM product is currently being reviewed and will likely become available in the second quarter of 2019. I plan to put it to good use with my staff to be better positioned to report on our outcomes.

19. What collaborations will you pursue with non-profits and Community Development Financial Institutions (CDFIs) to help underserved communities access the capital they need to grow their businesses?

For all small businesses, access to capital is a critical tool for their success. To build wealth, they need to buy new equipment, sign a lease, hire employees and scale their products and services. A loan is often difficult for small businesses to acquire, especially if they have no collateral. Therefore, it is important for OED to partner with mission-driven CDFIs so we can collectively provide appropriate financial loan products to generate economic growth and opportunity in some of our city's most distressed communities.

OED currently connects small businesses with local CDFIs to finance working capital, tenant improvements, and other business needs. We need to continue to explore ways to expand our business development account (BDA) partnership with Mercy Corps CDFI to bring in bank partners. This program works with low-income micro-business owners located in areas at high risk of displacement. A micro-business saves \$500 and takes 12 hours of business training in six months and then receives a \$4,000 grant from OED for business operational expenses. Mercy Corps provides underwriting support and connects the business to training options. This is an excellent model that needs to scale to serve many more small businesses.

We are also continuing to explore ways to collaborate with local CDFIs in pairing our financing to support development of affordable commercial space in high risk of displacement areas, including Opportunity Zones. Our pilot tenant improvement fund provides gap funding after a business has explored CDFI and bank lending options. With the lessons from this pilot, we plan to seek resources to expand it.

20. How can OED better leverage community-based knowledge and resources to support small business owners, and micro-entrepreneurs?

Part of my vision is to partner with and invest in established community-based organizations to provide direct services. Studies have shown that building capacity for community organizations helps to build resilient communities in the long term, especially for culturally specific organizations. Many already have long-standing credibility and trust with the targeted population that government agencies sometimes don't have. (Think about some of the immigrant populations who may view government as an authoritarian entity.)

Serving small businesses and micro-entrepreneurs requires a virtuous cycle of building trust, offering valuable information, and addressing a need. Demonstrating value in this relationship increases trust and the ability to provide deeper resources. A great example of this is OED's work in Chinatown-ID and Little Saigon. Over many years, OED has funded capacity in local organizations to provide community liaisons to conduct in-language outreach to businesses. Because of the trust built between the organizations and local businesses, workshops on commercial leasing, financing and tenant improvement costs were well attended and helped many businesses explore their options. Local staff work with businesses to connect to

potential sites in new developments, allowing them to stay and grow in the district. To provide this level of support requires sustained funding for organizational capacity.

Many organizations in underserved communities currently supported by Only in Seattle are primarily volunteer-led and run. OED's limited budget is spread thin to support minimal staff and program funding. OED works with districts to explore Business Improvement Areas as well as membership models and fundraising to increase locally generated resources, but these have proven challenging in some neighborhoods. OED could better leverage community-based knowledge with additional funding to support sustained capacity in districts.

21. What would partnerships with labor unions look like to shape or influence economic and workforce development strategies? What other strategies would you use to support workers?

With close to 20% of all Washington State's wage and salary workers being members of a labor union, our local unions are important and strategic partners to create a more inclusive and equitable economy. My vision for partnerships with unions should include:

- Engagement in the development of regional workforce priorities and strategies to create more opportunities for underserved communities to gain in-demand skills and connect to our economy.
- Development of pipeline strategies into apprenticeship programs, including collaboration with pre-apprenticeship programs that prepare underserved communities for success in apprenticeship programs.
- Support of youth apprenticeship strategies, that provide opportunities for young people to earn and learn within the context of a career. OED is supporting the Aerospace Joint Apprenticeship Council Youth Apprenticeship Program that will be newly piloted in Seattle this fall.
- Partnerships in upskill strategies to connect low-wage entry workers with training resources and supports to advance in their careers. An example of this approach is the SEIU Healthcare 1199NW Multi-Employer Training Fund which is a labor-management partnership between nine hospital employers and the healthcare union to address the workforce needs and career advancement of its members.

22. The Business Improvement Areas (BIAs) throughout the city can face challenges collecting assessment revenue from their stakeholders. While Finance and Administrative Services administers collection, OED is a primary partner in supporting our BIAs. How do you intend to invest in this partnership, and how would you work to help enhance BIA's ability to fund their work and manage their relationships with other City departments?

It is my thought that OED will continue to support the 10 BIAs by providing a dedicated BIA Advocate as well as access to funding through the Only in Seattle program. The BIA Advocate works closely with the BIAs and FAS to improve policies and practices that enhance BIA collections and ratepayer customer service. For example, the BIA Advocate helped several BIAs

learn how to access and understand their data better which resulted in an increase in BIA revenues. The BIA Advocate is also working with FAS to improve the collections process, allowing BIAs to provide better customer service to ratepayers. Additionally, the BIA Advocate will continue to look for opportunities for BIAs to leverage assessment dollars for the greatest outcome, partner with other districts, and learn and share best practices from local, regional and national leaders in this field.

23. What do you believe to be OED's role in helping to improve the overall health and vibrancy of the Seattle's neighborhood commercial corridors? How will you conduct outreach in neighborhoods? How will you partner with the Department of Neighborhoods, especially to promote support and access in communities with high displacement risk and low access to opportunity?

Neighborhood commercial corridors are vital to building resilient neighborhoods and communities. It is my vision that OED's role is in building strong neighborhood-specific organizations that can better address their unique needs and developing tools that help local businesses stay and grow in their districts. OED conducts outreach to business organizations and directly to local businesses. We should work closely with the Department of Neighborhoods (DON) in all our work, to build relationships with and support community organizations. The Only in Seattle program currently partners with DON to provide Community Liaisons directly to business districts to better serve business owners of color. OED needs to focus work in communities with high displacement risk and low access to opportunity; in 2019, 75% of their funding supported these districts. OED must also continue to work closely with OPCD and the Equitable Development Initiative fund since there is overlap in many of our projects.

Lastly, to promote foot traffic to the commercial corridors, I want to focus on assisting low-income neighborhoods in attracting anchor institutions and businesses who have propensity to invest locally. Having a balance of businesses of various sizes and types can be important to creating an ecosystem of economic support.

24 What connections can be made between OED and the Office of Housing to promote the development of affordable housing by connecting with commercial opportunities targeted at locally owned, and/or businesses owned by people of color, immigrants and refugees?

I agree that affordability in both housing and commercial space is vital in creating an inclusive economy. In my prior job I sponsored the first affordable commercial space program in Oregon. This effort, however, needs to be in alignment with low-income housing strategy to truly address growing pressure for gentrification.

I support OED's current collaboration with the Office of Housing on developing affordable ground floor commercial space in Office of Housing-funded mixed-use projects. OED has a pilot tenant improvement fund that will provide gap financing and lower the costs for small business tenants to build out their space in high risk of displacement neighborhoods. The first

projects under review are Office of Housing-funded Liberty Bank Building and 23rd and Jackson/Community House in the Central Area, and the Thai Binh project in Chinatown-ID. The pilot will be evaluated for the potential to scale it up and have a more formal partnership with the Office of Housing on ground floor commercial space.

25 Major transportation projects can impact businesses, especially small businesses. The SW Avalon Way Project is a current example; a previous example is 23rd Avenue. What challenges do you see businesses facing during large transportation projects? What is your approach to addressing those impacts, and ensuring businesses thrive during construction of these projects?

In Portland, this has been a major issue for small businesses. Foot traffic is the lifeblood of many small businesses, and with all the public work projects throughout the city, they are struggling. In Seattle, many of our small businesses are fragile, with the median business holding only 27 cash buffer days in reserve. Many of our storefront retail and restaurant businesses are even more vulnerable, with 16 and 19 days in reserve, respectively. This means that daily revenue is critical to a small business staying open. This is even more impactful when you consider that nearly 70% of Seattle entrepreneurs rely on their businesses as their primary source of income.

Large infrastructure projects, while needed in the long term to be able to safely accommodate increased traffic in a rapidly growing city and to provide critical updates to an aging system, can be incredible impactful to our small businesses—both in duration and geographic scope. For more than a year, a single repaving project can minimize flow and access to an entire commercial district and create daily impacts from noise and dust pollution, ultimately reducing and redirecting the foot traffic that can be critical to the survival of these businesses. And when you line up several large infrastructure projects from multiple agencies back to back, it has catastrophic effects on the wellbeing of our neighborhoods, given the fragility of small businesses.

My job with OED will be to, first and foremost, advocate for small businesses as they are impacted by construction. The goal needs to be early and frequent visits, before and during construction. We can work in coordination with SDOT, SPU, SCL, DON and other City departments to achieve several goals:

1. Through early outreach with other city departments and our community partners, help businesses understand the need for the construction and the range of impacts.
2. Provide access to resources early enough before a project to give them time to stabilize, strengthen or adjust in preparation for construction. Resources include access to non-conventional financing through our community lending partners and consulting services around marketing, lease education, finances and business plans. Businesses should be made aware of these resources as early as 6-12 months prior to a large construction project as well as on an ongoing basis as needed.

3. During construction, advocate for small businesses by understanding their challenges and coordinating with various city departments and public agencies to minimize those impacts where possible. Most small businesses won't know who to reach out to during these challenging times and it is our job to work with our various community partners to make that presence known. These resources are of course available to all businesses that we support. However, a more targeted connection to businesses impacted by construction is a key component in supporting our neighborhood business districts.
4. We can advocate for and represent small business interests through the construction planning and contracting process, identifying clear expectations around scheduling, parking, loading zones, managing street closures/access, utility shut-offs, notification etc., before they become impactful.

26 How will you work to minimize any potential financial exposure to Seattle from being a host city for 2026 FIFA World Cup matches, and ensure that Seattle is reimbursed for security and other event costs?

With the joint USA/Canada/Mexico bid to host the 2026 World Cup announcement, a group of local stakeholders including the City, County, Sounders, Seattle Sports Commission, and other local interested parties expect to learn more from US Soccer and FIFA on expectations for the potential of hosting matches. Working with Council Central Staff, we intend to provide Council with an update on those expectations as soon as we learn them.

With respect to minimizing any potential financial exposure to the City, we are exploring the formation of an Local Organizing Committee (LOC) to act as the official host entity which will assume at least some of the obligations and commitments under any contracts with FIFA, meaning the City will not be the sole cost bearer, and it is our understanding that the other interested local governments and organizations (e.g., King County, Port of Seattle, University of Washington, Seattle Sounders, First & Goal) are interested in this structure, as well. Other ideas to mitigate or recoup costs from the event include leveraging opportunities such as fundraisers, sponsorships and hosting a World Cup 'Fan Fest' to celebrate the event.

While these 2026 costs are not known at this time, if Seattle is selected as a host city, me and my staff will begin working with the US Soccer Federation and FIFA to collect more information about impacts to the City for hosting the 2026 World Cup with respect to financial exposure. Specifically, OED staff will work with several departments, including the Seattle Police Department and Seattle Department of Transportation on traffic management and event planning, with Public Health-Seattle and King County and the Seattle Fire Department on medical planning for the event, as well as understanding what permits may be needed from Seattle Department of Parks and Recreation as well as Seattle Department of Construction and Inspections, if any. I will keep the City Council and City Council Central Staff updated on this planning process as it progresses.

27 How will you promote intergovernmental relations and foster partnerships with other governments (e.g. local, state, federal) and other economic development organizations to advance the City's economic development interests? What policies and programs would OED recommend the City advocate for in its legislative agenda at the state and federal level?

No one entity has enough resources and staff capacity to move the needle on our key economic indicators. Partnership is key to promoting shared prosperity and I intend to lead the agency with that approach. Seattle must continue to play a collaborative leadership role in the region's economic development in order to build an inclusive economy. Through OED's technology startup, restaurant, maritime, green business, life science, and international advocacy, the City works closely with the Washington State Department of Commerce and other regional partners to help companies identify resources to grow, including developing a diverse, skilled workforce to meet employment demands. OED has successfully launched initiatives to improve the restaurant permitting process across multiple jurisdictions and better align regional environmental services for Seattle businesses. We must build on these multi-jurisdictional successes and continue to work with regional partners to support Seattle's economic development goals of cultivating an inclusive economy.

In addition to working with our regional and state partners, I will also be looking to improve coordination with the federal government to align local industry interests and needs with funding priorities of federal agencies, including the U.S. Department of Commerce and U.S. Housing and Urban Development, looking to spur economic development in our city and region.

In terms of advocating at the State and Federal level, we will work closely with the Mayor's Office and the Office of Intergovernmental Affairs to curate an agenda that promotes an inclusive economy.

More specifically, I support efforts to expand economic development tools including enhancing business options and opportunities for small business as well as clarifying and strengthening legislation that fosters the development of Business Improvement Areas (BIAs). I also support promoting and incentivizing historic preservation, building safety, and energy efficiency through direct or indirect assistance to property owners. We also support legislation that allows for increased flexibility for cities to manage public works and other projects, and efforts aimed at increasing the participation of women and minority owned businesses (WMBE) in state and local contracting. I support tax increment financing, including new value capture concepts, as a tool to encourage economic development and community improvement projects. I also support investments in thriving local industry clusters, including maritime, marine tourism, global health and life sciences research, and clean technology.

28 Please describe your approach to managing external communications and media relations to promote Seattle as a place for businesses to locate and stay.

Seattle is fortunate because it has so much to offer employers. Seattle has one of the most talented workforces in the world—which is key in the knowledge-based economy. Workers want to live here because they have easy access to natural beauty and authentic urban experiences. Seattle has a progressive, welcoming culture that young talent is drawn to from all over the world. The music, culture and food scenes are the envy of cities around the world. Major employers continue to expand and invest in our community, further fueling the talent pool for others to draw upon, and for workers to advance their careers. There is a lot to celebrate about Seattle, and certainly we will do so using all the tools available to us.

I will work with regional chambers, local business associations and the Washington State Department of Commerce to promote a shared branding and marketing strategy using multiple platforms.

Organizational management and internal City coordination/communication

29 What is your organizational management approach? How will you review internal operations at OED to determine if they warrant improvement? What is your leadership style?

My organizational management approach reflects my collaborative, people-first style, and my interest in building relationships while at the same time capitalizing on the institutional knowledge and deep skillsets of my team. To build trust, I will ensure OED foster and nourish a culture of engagement by: 1) putting people first; 2) learning continuously; 3) ensuring inclusion; 4) fostering collaboration; and, 5) always striving for excellence.

To begin my tenure as Director, I have already begun to meet one-on-one with each OED staff member (approximately 35 FTEs) to better acquaint myself with their work and to develop individual relationships. My goal in these meetings is to offer ongoing opportunities to understand each other as a whole person first. As well, I currently have weekly check-in meetings with OED's management team members where I invite open dialogue and can check in on the progress of our work. I will also organize two agency-wide listening sessions in the next few months where everyone employee will have a chance to share their aspirations for OED.

I feel that taking this people-first approach is critical to any functioning organization. I am very interested in receiving advice from my staff as well as their feedback on the historical context so that I can make informed decisions about how to move forward. I am a believer in setting transparency in intentions and in being open to different ideas and worldviews. I am committed to maintaining open lines of communication and leaning on the talent of my team while moving our organization towards investing in a vision for Seattle's economic development that broadly shares its prosperity.

In the next few months, I will lead an effort around diversity, equity and inclusion for the agency. It is important that we as an agency have an inclusive culture that truly welcomes everyone and centers our work around equity.

30 How will you provide for clear two-way communication and employee involvement in key agency decisions?

I will ensure OED maintains a culture of transparency and communication with all staff. I believe in listening to discover and understand (vs. listening to solve problems), leaving space for mistakes to occur and recognize mistakes as learning opportunities (rather than reacting punitively), and sharing decision making based on mutual trust. Thoughtful and respectful engagement is key to building a culture of trust in any organization.

To accomplish this, OED will hold recurring weekly stand-up meetings to provide an overview of issues and topics to the staff, weekly deep-dive meetings to provide a forum to better understand issues and topics relevant to our work, and monthly all-staff meetings to highlight our work and provide personal recognition for quality work. In addition, each OED team will work closely to develop their strategy and workplan, including every employee's input.

This work around building trust and open communication is never-ending, but truly rewarding when done with the right intentions. I plan to build a culture where employees feel welcome, safe and rewarded.

31 What steps will you take to ensure that the OED maintains a welcoming and safe workplace for City employees? Please provide specific examples.

As mentioned above, I am committed to fostering a safe and welcoming workplace environment for all employees by promoting a culture where we prioritize people over transactions. To build a welcoming workplace, I will foster and nourish a culture of engagement by 1) putting people first, 2) supporting continuous learning, 3) sharing decision making and inclusion, 4) fostering collaboration, and, 5) striving for excellence. First and foremost, I will lead by example, pushing our conversations and agendas to reflect a welcoming and inclusive tone.

Additionally, I expect my staff to be well-trained in the City's workplace expectations around harassment, implicit bias, and race and social justice. OED is maintaining records to show compliance with participation in the following mandatory trainings offered by the City:

- Race: The Power of an Illusion
- Internalized Racial Superiority (for white staff) or Internalized Racial Inferiority (for POC staff)
- Implicit Bias 1
- Implicit Bias 2
- Anti-Harassment and Anti-Discrimination
- Ethics

- Whistleblower code

As Director, I will review these records annually and ensure that staff are given enough time to develop the right skills necessary to help support a welcoming culture for all. Staff will be expected to incorporate professional development goals that include these trainings within their annual workplans. As well, I will make clear my expectations to my management team through ongoing discussion of how we can improve safety and enhance our welcoming culture. I will also look for ways that we, as an entire staff, can engage in ongoing training and ongoing conversations about our cultural tenets.

32 What opportunities do you see for improving collaboration between your agency and other City departments?

Because OED's mission is broad, collaboration with other departments is a must. I will work to develop trust among all the partnering departments to ensure real and ongoing collaboration. Opportunities for 2019-2020 include coordinating the work of the Citywide Business Advocacy Team—which includes several City departments—to support small business issues; collaboration with the Office of Arts and Culture on developing a Creative Economy framework to advance prosperity for creative workers; working with the Seattle Department of Transportation and the Department of Neighborhoods on best practices for construction outreach to businesses and neighborhood business districts; and facilitating the annual Only in Seattle grant program with several departments' input to create vibrant neighborhoods and communities.

Relationship with City Council

33 What steps will you take to ensure that you work effectively with the City Council? How will you ensure that Councilmembers and their staff have received the information needed to make policy and financial decisions?

As a former elected member of the Eugene City Council, I know firsthand how important it is to have timely and complete information prior to any vote. Furthermore, I've worked for two Governors, a Portland Mayor and Portland City Councilors, an Oregon State Senator and an Oregon State Representative. I have extensive experience working successfully for elected officials and I feel confident that I will work productively with all members of the Seattle City Council.

Some keys are to deliver timely information and analysis based on individual Councilmembers' needs; to develop collaborative relationships with each of the Councilmembers and staff; to provide sound strategies to accomplish priority goals; and to communicate timely information clearly to Councilmembers and/or their staff. I am committed to providing quality and timely services to all members of the Seattle City Council.

34 How will you be responsive to Council requests, specifically regarding priorities that may differ from those of the Executive Branch?

From my experience, proactive communication is and always will be key in these situations. It will be important for me and my staff to develop good working relationships with Councilmembers and promote dialogue as we consider our respective priorities. When differences arise, my responsibility will be to provide neutral and professional analysis and allow elected officials to make the final determination. It's understandable that there may be conflicting priorities along the way, and I will strive to work to best address issues that arise so that we may continue to maintain a strong working relationship.